I appeal to the hon. Minister of Petroleum to direct the Bharat Petroleum to conduct the pending interviews, allot additional distributors to provide better service for the people of those areas in a good manner.

SHRI S. ANBALAGAN (Tamil Nadu): Sir, I associate myself with this Special Mention.

STATEMENT BY MINISTER

Constitution of pay revision committee for executives and non-unionised supervisors of central public sector enterprises

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV): Sir, for the period beginning 1.1.2007 and for a period of 10 years, the Government have constituted a Pay Revision Committee for the executives and non-unionised supervisors, under the Chairmanship of Mr. Justice M. Jagannadha Rao, retired Judge, Supreme Court. Dr. Nitish Sengupta, Economist and former Professor of Economics, Jawaharlal Nehru University, Shri P.C. Parakh, former Secretary, Department of Coal, Government of India and Shri R.S.S.L.N. Bhaskarudu, former Managing Director, Maruti Udyog Ltd. and former Chairman, Public Enterprises Selection Board, Dr. Ramesh Chandra Panda, Secretary, Department of Public Enterprises, Government of India will be *ex officio* member of the Committee, and Shri K.D. Tripathi, Joint Secretary, Department of Public Enterprises, Government of India will be the Secretary of the Committee.

The Committee will give their recommendations on the matter related to pay revision, covering Board level functionaries, below-Board level executives and non-unionised supervisory staff of CPSEs numbering about 3 lakh. The Pay Revision Committee will make their recommendations within 18 months from the date of constitution.

The Terms of Reference of the Committee are broadly as follows:

(1) Examine the principles that should govern present structure of pay, allowances, perquisites, and benefits of the executives of the Central Public Sector Enterprises (CPSEs).

(2) To make recommendations so as to transform the CPSEs into modern, professional, citizen-friendly and successful commercial entities that are also dedicated to the service of the people.

(3) Work out a comprehensive pay package for promoting efficiency, productivity and economy through rationalization of structures, organizations, systems and processes.

(4) Make recommendations to harmonize the functioning of the CPSEs with the demands of the emerging national and global economic scenario.

(5) Examine the Productivity linked incentives Scheme and Performance Related Payments.

The Committee will consider the changes that have taken place in the structure of emoluments of employees in CPSEs over the years, and also keeping in view the Policy already finalized related to 7th Round of wage negotiation for unionised workmen in CPSEs due from 1.1.2007 onwards. While submitting the final recommendations to the Government, the Committee shall also take into account the Report of the 6th Central Pay Commission.

Now, with the appointment of the Pay Revision Committee, another major demand of employees in CPSEs has been met. In the dynamic business environment facilitated by liberalization & globalization, this would be a step towards further encouragement by acknowledging performance. The welfare of the employees has been of paramount consideration and importance for the Government and it has always been sensitive towards the same.

SHRI TAPAN KUMAR SEN (West Bengal): Sir, I have to seek a clarification.

THE VICE-CHAIRMAN (SHRI DINESH TRIVEDI): I have got one name but you can also ask. Shri Santosh Bagrodia.

SHRI SANTOSH BAGRODIA (Rajasthan): To begin with, I congratulate the hon. Minister because in the new environment of the globalised economy when we want all PSUs to become *Navratnas* in fact, we must not eliminate the rewards. We must give enough to the officers of these PSUs so that they can not only stay but they can perform their

best. It is in fairness that their compensation should be revised and this is what the hon. Minister has done. But, Sir, when I refer to the Terms of Reference, No. 5, "Examine the Productivity linked incentives Scheme and Performance Related Payments", that is good. We should give reward. But, there is no reference of punishment. There should be some kind of severe punishment to the officers not only for corruption but also for negligence because we cannot just go on accepting this kind of situation in our PSUs if we want to improve upon the system. Another two or three questions, which I would like to seek clarifications from the hon. Minister, is: Will the recommendations be applicable to sick, loss-making, BIFR-referred CPSEs? The next point is, I would like to know whether the trade unions were consulted before constituting the pay revision committee because they are the stakeholders. I wish he had consulted them. If not, at least consult them now. Sir, what is the periodicity of pay revision?

SHRI TAPAN KUMAR SEN (West Bengal): Sir, I would also like to congratulate the hon. Minister but again my congratulation is a mixed package since I would like to seek some clarifications, which are not explained in the Terms of Reference. A few days back in this House, the hon. Minister in reply to the questions raised, said that for the employees and workers in the seventh round of wage revision — not executive — some guidelines have been issued. Those guidelines specifically mention that although that is to be through bilateral negotiations between the concerned management and the unions but again, the dictates were there that it will be for ten years. Unfortunately, for the executive the Terms of Reference do not mention anything about the periodicity.

Secondly, I want to draw the attention of the House to the fourth Term of Reference. It says, 'Make recommendations to harmonize the functioning of the CPSEs with demands of the emerging national and global economic scenario.' I think, 'harmony' also has a tremendous importance even within the PSU. What was our experience in the 6th Round of Pay Revision Committee? I would like the hon. Minister to take note of the experience of the 6th Round of Pay Revision Committee? I would like the hon. Minister to take note of the experience of the 6th Round of pay revision. After implementation of the Mohan Committee recommendations for the public sector executives and non-unionised

supervisors and bilateral negotiations that taken place for the workers, distortions had taken place between the ratio of executive pay-scales and the workers. It had created a serious problem, serious unrest within the public sector and among the public sector workers. So, this has to be taken note of. But, the same policy is continuing. Very recently, in the matter of payment of bonus to the officers and the workers, there were disparities and this has created serious resentment in many public sector companies. So, keeping this in view, my request to the hon. Minister is that this Committee should be directed to take note of the experience of pre-1997 situation and post-Mohan Committee situation and suitably advice the Government to deal with the problem.

Then, I would like to know whether the Committee would call the respective unions or the employees of the public sector companies also to depose before the Committee before it takes a final view in the matter. This is in the interest of maintaining harmony in the public sector companies which have to play an important role in the national economy. Thank you.

श्री जय प्रकाश अग्रवाल (राष्ट्रीय राजधानी क्षेत्र, दिल्ली): सर, मैं अपनी बात एक मिनट में समाप्त कर दूंगा।

सर, मैं मंत्री जी से कहना चाहता हूं कि इन्होंने पे-रिवीज़न के लिए 10 साल का पीरियड रखा है, वह बहुत बड़ा पीरियड है और इसे कम किया जाना चाहिए, तकरीबन हर 5 साल बाद रिवीज़न होना चाहिए, क्योंकि जो हालात इस समय हैं, उनके कारण लोग तंग हैं–प्राइस राइज़ है, प्रापर्टी के दाम बढ़ रहे हैं, किराया देना पड़ता है।

दूसरे, जो इन्होंने बोर्ड बनाया है, उसमें यूनियन का कोई रिप्रजेंटेटिव नहीं है। जिसके लिए आप बात कर रहे हैं, जिस क्लास को आप फैसिलिटी देना चाहते हैं, कम से कम उनका एक रिप्रजेंटेटिव तो आपकी कमिटी में होना चाहिए ताकि वे अपनी बात को प्रैस कर सकें और कह सकें। सिर्फ कहकर चले जाने से काम नहीं होगा या मतलब हल नहीं होगा।

तीसरे, पे रिवीज़न के साथ-साथ उनको क्या फैसिलिटीज़ हैं, उसके बारे में भी आप उनके साथ चर्चा करेंगे–उनके रहने का ऐन्वायरमेंट, उनके बच्चों के लिए स्कूल, मेडिकल फैसिलिटी आदि, क्योंकि अक्सर देखा गया है कि हम तनख्वाह बढ़ाने के बाद या उसके ऊपर चर्चा करने के बाद गरीब इम्प्लाइज़ के लिए कुछ नहीं करते, उनको उनके हाल पर छोड़ देते हैं। मैं आशा करता हूं कि क्योंकि कांग्रेस की सरकार है, आप कांग्रेस के मंत्री हैं, तो कम से कम आप इतना अवश्य ध्यान रखेंगे और उनको इसमें हिस्सेदार बनाएंगे।

SHRI SONTOSH MOHAN DEV: Mr. Vice-Chairman, Sir, one of the common questions asked by hon. Members is about the period of this Pay Revision Committee. As per the convention, the Government has given a period of ten years. And, after those ten years, another Committee would be formed. Time that has been given for submission of the Report is eighteen months. There could be plus or minus in the period depending upon the velocity of the work.

The second question that has been asked is whether we will take into consideration the opinion of the trade unions. Sir, this is mainly for the executives and non-unionised supervisors. Wherever there is union, it will be taken into consideration. They will be called for discussions and this will not only be called in one, but in all sectors and a collective view will be taken.

Sir, another question asked by Mr. Sen is about the pay revision and keeping union representative along with others. In the Order that has been issued you can see at second page and it says, 'CPSE may implement the negotiated wages after approval of its administrative Ministry/Department or public enterprise that the revision is within the approved parameters and that it has been ensured that such negotiated wages would not come into conflict with any pay revision of officers and non-unionised supervisors of the respective CPSEs'. You are right. This was one of the issues about which we were agitated in the past. So, we have taken care of it this time. Even then, the Committee is empowered, if they want to enlarge the scope of the discussion, they are at liberty to do so. That is why 18 months time has been given and it will continue for ten years. Even now, you know, Sir, once it is being seen that in wage negotiation for the employees, where a company has earned regular profit, we have allowed them to take it up on a case-to-case basis and not wait for ten years. Some companies have given it. So, we are not trying to do it. Even in our Common Minimum Programme it is already written that we shall not take any steps whereby the employees or the workers are in any way affected. Whatever is to be done, will be done in consultation with them. This is the principle which we are following.

Another question was asked by Mr. Bagrodiaji. He is not present now. He had put one question. In what process the negotiations are to

continue? We have given a broad guideline. But, as I said, the Pay Committee has been constituted and we have taken one member from the public sector, one economist, and one ex-Chairman of the Public Enterprises Board. So, this is quite competent.

Mr. Aggarwal has said that we should take care of the unions. With these words, I think, the Members will kindly appreciate it.

SHRI TAPAN KUMAR SEN: I have one point which he has missed. I told that it is right that while issuing the guidelines for the workers you have mentioned that that should not come into conflict. But, on the other hand, this Pay Committee's recommendations may come in conflict in distorting the past ratios. Precisely, that has happened when the Mohan Committee; a similar committee was constituted by your Ministry which gave its verdict in the sixth round. I want to know whether this time, to correct that distortion, any instruction has been given. This is the first point.

Secondly, the Government of India has given clearance for five year agreement to the Coal Industry will full neutralisation. Then, why is this ten years conditionality here? It should be five years. Mr. Aggarwal has also requested the hon. Minister to consider it. For the Coal Industry, you have already allowed full neutralisation and five-years agreement. Why, then "Ten Year" condition for the public sector companies? Even for the workers there is a ten years agreement, and the same condition is being given for the public sector executives!

SHRI SONTOSH MOHAN DEV: Sir, the present practice is that once a commission is formed, it gives its report—this is not the final report—this will be considered by the Cabinet. The Cabinet, if necessary, will constitute a further committee under the Cabinet Secretary. And all these distortions, which are there, will be considered and have to be considered from the past experience. He is right in saying that some distortions should have been corrected. Now, not only on this, in the other commission also we are taking care of this that after announcement, you cannot correct. Before announcement only it should be correct. We shall take care of that. I can assure you that.

THE VICE-CHAIRMAN (SHRI DINESH TRIVEDI): Thank you Mr. Minister. Two hon. Members were in B.A.C. So, if they want to make their Special mentions, they may do so. Shri Amar Singh.